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Admitted in: DC, MD, NY

October 4, 2017

The Honorable Kimberly Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First St., NE  
Washington, DC 20426

*EMP-92 Sub O*

Re: Self-Certification of Exempt Wholesale Generator Status of NTE Carolinas II, LLC, Docket No. EG18- **2** -000

Dear Secretary Bose:

Please find attached for filing the Self-Certification of Exempt Wholesale Generator Status of NTE Carolinas II, LLC in Docket No. EG18-**2**-000. If you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Sincerely,



Ruta Kalvaitis Skučas, Esq.  
John Gulliver, Esq.  
Maeve C. Tibbetts, Esq.  
Pierce Atwood LLP

**Counsel to NTE Carolinas II, LLC**

**UNITED STATES OF AMERICA  
Before The  
FEDERAL ENERGY REGULATORY COMMISSION**

NTE Carolinas II, LLC

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Docket No. EG18-\_\_\_\_-000

**SELF-CERTIFICATION OF EXEMPT WHOLESALE  
GENERATOR STATUS OF NTE CAROLINAS II, LLC**

Pursuant to the Public Utility Holding Company Act of 2005 (“PUHCA 2005”)<sup>1</sup> and Section 366.7 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,<sup>2</sup> NTE Carolinas II, LLC (“NTE” or “Applicant”) hereby submits this Self-Certification of Exempt Wholesale Generator (“EWG”) Status with respect to its ownership and operation of an approximately 500 MW electric generation facility and related assets located in Rockingham County, North Carolina, which is within the South East Reliability Corporation (“SERC”) balancing authority area and will interconnect with Duke Energy Carolinas, LLC.

**I. COMMUNICATIONS**

All correspondence and communications regarding this proceeding should be addressed and directed to the following persons:

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(\*) Persons denoted with an asterisk are designated for service and should be included on the official service list in this proceeding.

<sup>1</sup> Pub. L. No. 109-58, §§ 1261-1277, 119 Stat. 594, 972-78 (2005).

<sup>2</sup> 18 C.F.R. § 366.7 (2017).

## II. DESCRIPTION OF APPLICANT AND ELIGIBLE FACILITIES

Applicant is a Delaware limited liability company with its principal place of business in Rockingham County, North Carolina. Applicant's sole business is the generation of electricity at a 500 MW electricity generation facility located in Rockingham County, North Carolina ("Reidsville Energy Center"), consisting of one (1) Mitsubishi Hitachi M501GAC combustion turbine, one (1) heat-recovery steam generator ("HRSG"), and one (1) Toshiba (or equivalent) steam turbine, which it owns, controls, and operates. The Reidsville Energy Center is currently under development and is expected to generate test power as early as February 2020 and begin commercial operation as early as November 2020. The Reidsville Energy Center will be interconnected with the transmission system owned and operated by Duke Energy Carolinas, LLC. ("Duke Energy"). The "eligible facilities" are comprised of the Reidsville Energy Center and related real property ("Eligible Facilities"), as well as other equipment necessary to interconnect the generation facility to the transmission system operated by Duke Energy to make wholesale sales of electricity.

Applicant is a wholly owned subsidiary of NTE Carolinas II Holdings, LLC, which is a privately held corporation.

## III. REPRESENTATIONS

Pursuant to Sections 366.1 and 366.7 of the Commission's regulations,<sup>3</sup> NTE Carolinas II, LLC represents that it satisfies the requirements for EWG status, as follows:

1. NTE Carolinas II, LLC is a Delaware limited liability company that will control and operate the Facility.
2. NTE Carolinas II, LLC engages exclusively in the business of controlling and operating the Facility and selling electric energy and capacity at wholesale.

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<sup>3</sup> 18 C.F.R. §§ 366.1, 366.7.

3. NTE Carolinas II, LLC will not make foreign or domestic retail sales of electric energy from the Facility.
4. The Facility is an eligible facility as defined in Section 32(a)(2) of the Public Utility Holding Company Act of 1935, which is incorporated by reference in Section 1262(6) of PUHCA 2005,<sup>4</sup> and Section 366.1 of the Commission's regulations.
5. The electricity produced by the Facility will be sold exclusively at wholesale.
6. The Facility consists of a 500 MW natural gas turbine electricity generation facility, and will use a substation, switchyard, and other equipment necessary to interconnect the Facility to the transmission grid.
7. The interconnection facilities that are associated with the Facility serve only to connect the project to the Duke Energy controlled grid. Those facilities, therefore, qualify as "interconnecting transmission facilities necessary to effect a sale of electric energy at wholesale" and are included as part of the Reidsville Energy Center eligible facility.<sup>5</sup>
8. No portion of the Facility is owned or operated by an electric utility company that is an affiliate or an associate company of NTE Carolinas II, LLC, as those terms are defined in Section 366.1 of the Commission's regulations.
9. No rate or charge for, or in connection with, the construction of the Facility, or for the electric energy produced by the Facility, was in effect under the laws of any state on October 24, 1992. As such, no determination or certification by any state commission is necessary prior to certification of NTE Carolinas II, LLC as an EWG.
10. Concurrently with the filing of this Notice with the Commission, the Reidsville Energy Center is filing a copy of this Notice with the North Carolina Utilities Commission, which is the state regulatory authority of the state in which the Facility will be located.

#### IV. INCIDENTAL ACTIVITIES

In connection with owning and operating the Eligible Facilities, NTE Carolinas II, LLC may also engage in the following incidental activities that the Commission has found to be permissible EWG activities: (1) sell ancillary services available from the Eligible Facilities which are incidental to, and by-products of, the Eligible Facilities' operations as wholesale

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<sup>4</sup> 42 U.S.C. § 16451(6) (2006).

<sup>5</sup> 15 U.S.C. § 79z-5a(a)(2) (repealed).

power generators;<sup>6</sup> (2) reassign excess transmission capacity consistent with the Commission's requirement that such reassignment of excess transmission capacity be limited to transmission capacity NTE Carolinas II, LLC originally obtained for the purpose of affecting a specific wholesale sale of electric energy;<sup>7</sup> (3) purchase and sell congestion revenue rights that NTE Carolinas II, LLC needs for the Eligible Facilities' power sale operations;<sup>8</sup> (4) trade emission allowances consistent with the Commission's limitation that an EWG may only engage in such trading so long as the emission allowances were originally obtained in the normal course of operating the Eligible Facilities;<sup>9</sup> (5) sell "green" power certificates or credits associated with power produced by the Eligible Facilities;<sup>10</sup> (6) engage in certain project development and financing activities necessary to achieve financial closing;<sup>11</sup> (7) enter into leases of real property comprising part of the Eligible Facilities, as lessee;<sup>12</sup> (8) enter into agreements relating to facilities shared with an affiliate EWG and used in operation of the Eligible Facilities;<sup>13</sup> and (9) engage in other activities incidental to the sale of electric energy at wholesale that are consistent with the Commission's EWG precedent.

## V. NOTICE

1. A form of Notice suitable for publication in the Federal Register is attached hereto.

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<sup>6</sup> See *Sithe Framingham LLC*, 83 FERC ¶ 61,106 (1998).

<sup>7</sup> See *CNG Power Services Corp.*, 71 FERC ¶ 61,026, 61,103-04 (1995).

<sup>8</sup> See *Duquesne Power LP*, 106 FERC ¶ 61,104 (2004).

<sup>9</sup> See *UGI Development Co.*, 89 FERC ¶ 61,192 (1999).

<sup>10</sup> See *Madison Windpower, LLC*, 93 FERC ¶ 61,270 (2000).

<sup>11</sup> See, e.g., *Hermiston Generating Company, L.P.*, 69 FERC ¶ 62,132, 64,314 (1994); *AEP Resources Project Management Co.*, 74 FERC ¶ 61,202, 61,674-75 & n. 4 (1996).

<sup>12</sup> See *DTE Pontiac North LLC*, 121 FERC ¶ 61,037 at P 7 n.6 (2007).

<sup>13</sup> See *Buffalo Gap Wind Farm 2, LLC*, 118 FERC ¶ 61,069 at P 2, 14 & n.3 (2007).

2. Concurrently with the filing of this Notice with the Commission, Applicant is filing a copy of this Notice with the North Carolina Utilities Commission, which is the state regulatory authority of the state in which the Facility is located.
3. Pursuant to Section 366.7(a) of the Commission's regulations, as set forth in Order No. 667-A, this Certification is subscribed consistent with 18 C.F.R. § 385.2005(a).

## V. CONCLUSION

Based on the foregoing facts and representations, NTE Carolinas II, LLC requests that the Commission accept this notice of self-certification of status as an EWG.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Ruta Skucas', with a long horizontal flourish extending to the right.

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*Counsel for NTE Carolinas II, LLC*

Dated October 4, 2017

**CERTIFICATE OF SERVICE**

I HEREBY certify that I have this day caused the foregoing document to be served, via electronic mail, upon each person designated on the Official Service List compiled by the Secretary in these proceedings, as well as the North Carolina Utilities Commission.

DATED at Washington, D. C. as of the 4<sup>th</sup> day of October, 2017.

A handwritten signature in blue ink, appearing to read 'Ruta Skučas', with a stylized flourish extending to the right.

Ruta Kalvaitis Skučas, Esq.

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